



PRESS RELEASE

FOR IMMEDIATE RELEASE
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For Information Contact Public Affairs
SANDY RAYNOR
Telephone: (602) 514-7625
Cell: (602) 525-2681

THREE MEN INDICTED FOR INVESTMENT FRAUD OF OVER 28 MILLION

PHOENIX - The U.S. Attorney's Office for the District of Arizona and the Federal Bureau of Investigation, Phoenix Division, announced that on May 24, 2005, Robert F. Alexander, 41, of Scottsdale, Ariz.; Michael Alexander, 42, of Mesa, Ariz.; and David J. Miller, formerly of Mesa, Ariz., 46, were indicted on federal charges related to a fraudulent investment scheme. The 72-count indictment against the three defendants includes violations of Title 18, U.S. Code, Section 371 (Conspiracy), Section 1341 (Mail Fraud), Section 1956 (Promotional Money Laundering), Section 1957 (Transactional Money Laundering), Section 981 and Title 28, U.S. Code 2461 (Forfeiture Allegations).

Pursuant to a federal arrest warrant, Robert Alexander and Michael Alexander were arrested early Thursday morning, May 26, 2005. Both appeared in federal court for their initial appearance and are currently in federal custody. They are scheduled for a detention hearing and an arraignment on Tuesday, May 31, 2005 at 1:30 p.m. in front of Magistrate Judge Anderson. David Miller was summonsed to federal court for an initial appearance and arraignment on June 8 in front of Magistrate Judge Voss.

The 72-count indictment alleges that Robert F. Alexander, David J. Miller, and Michael Alexander solicited individuals to invest in non-perishable goods and pharmaceutical drugs destined for export overseas. Victims were led to believe that their investment would produce a high rate of return upon the purchase and re-sale of the non-perishable goods and pharmaceutical drugs.

In reality, the defendants conducted a Ponzi Scheme, a scheme in which a portion of the returns are paid to initial investors from monies paid into the scheme by newer investors. Most of the funds paid by investors are kept by the originators of the scheme and typically used to support a lavish life style. In total, the indictment alleges that over 50 investors transferred over 28 million dollars between July 2000 and January 2005.

The investigation preceding the indictment was primarily conducted by the FBI with assistance from the Internal Revenue Service Criminal Investigation Division; the Food and Drug Administration, Office of Criminal Investigations and the Scottsdale Police Department.

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The FBI requests anyone who invested money with the defendants, within the last three years, contact the FBI at (602) 279-5511. Victims are encouraged to have supporting documentation such as promissory notes, dates of contact, and proof of financial transactions with the defendants readily available prior to contacting the FBI.

The maximum penalties per count are as follows: for Conspiracy, five years in prison, a \$250,000 fine or both; for Transactional Money Laundering, 10 years in prison, a \$250,000 fine or both; and for Wire Fraud, Mail Fraud and Promotional Money Laundering, 20 years in prison, a \$250,000 fine or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The prosecution is being handled by Michelle Hamilton-Burns, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-05-0472-PHX
RELEASE NUMBER: 2005-104

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